



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

C-489-830

Steel Concrete Reinforcing Bar from the Republic of Turkey: Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to exporters and producers of steel concrete reinforcing bar (rebar) from the Republic of Turkey (Turkey). The period of investigation (POI) is January 1, 2015, through December 31, 2015. For information on the estimated subsidy rates, see the “Final Determination” section of this notice.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Kaitlin Wojnar, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3857.

SUPPLEMENTARY INFORMATION:

Background

On March 1, 2017, the Department published its affirmative *Preliminary Determination* of this countervailing duty (CVD) investigation.<sup>1</sup> The petitioner in this investigation is the Rebar

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<sup>1</sup> See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 82 FR 12195 (March 1, 2017) (*Preliminary Determination*).

Trade Action Coalition and its individual members.<sup>2</sup> The mandatory respondent in this investigation is Habaş Sınai ve Tibbi Gazlar İstihsal Endüstrisi A.Ş. (Habas),<sup>3</sup> including certain cross-owned companies and subcontractors.<sup>4</sup> Both Habas and the Government of Turkey (the GOT) participated in this investigation. A complete summary of the events that occurred since publication of the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues and Decision Memorandum, which is dated concurrently with and hereby adopted by this notice.<sup>5</sup> The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and to all parties in the Central Records Unit, room B-8024 of the Department's main building. In addition, a complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version are identical in content.

### Scope of the Investigation

The scope of the investigation covers rebar from Turkey. The Department did not receive any scope comments and has not updated the scope of the investigation since the

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<sup>2</sup> The Rebar Trade Action Coalition is comprised of Byer Steel Group, Inc., Commercial Metals Company, Gerdau Ameristeel U.S. Inc., Nucor Corporation, and Steel Dynamics, Inc.

<sup>3</sup> Habas is the sole Turkish rebar producer/exporter excluded from the existing CVD order on rebar from Turkey. See *Steel Concrete Reinforcing Bar from the Republic of Turkey: Countervailing Duty Order*, 79 FR 65926 (November 6, 2014) (*2014 Turkey CVD Order*).

<sup>4</sup> The Habas companies include Habas, Habaş Elektrik Üretim A.Ş., Habaş Endüstri Tesisleri A.Ş., Habaş Petrol A.Ş., Mertaş Turizm Nakliyat ve Ticaret A.Ş., Cebitaş Demir Çelik Endüstrisi A.Ş., Ege Çelik Endüstrisi Sanayi ve Ticaret A.Ş., and Osman Sönmez (İnşaat Taahhüt Ticaret).

<sup>5</sup> See Department Memorandum, "Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Steel Concrete Reinforcing Bar from the Republic of Turkey," May 15, 2017 (Issues and Decision Memorandum).

*Preliminary Determination.* For a complete description of the scope of this investigation, *see* Appendix I to this notice.

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation, as well as the issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding, are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by the Department in the Issues and Decision Memorandum is attached at Appendix II to this notice.

## Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), during February and March 2017, the Department verified the subsidy information reported by the GOT and Habas. We used standard verification procedures, including an examination of relevant accounting records and original source documents provided by the respondents.

## Use of Adverse Facts Available

In making this final determination, the Department relied, in part, on facts available. As discussed in the Issues and Decision Memorandum,<sup>6</sup> we determine that Habas withheld necessary information with respect to certain import duty rebates/drawbacks received during the POI and, accordingly, did not act to the best of its ability in responding to the Department's request for information. Therefore, we drew an adverse inference, where appropriate, in selecting from among the facts otherwise available.<sup>7</sup> For further information, see the "Use of Facts Otherwise Available and Adverse Inferences" in the accompanying Issues and Decision Memorandum.

## Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the subsidy rate calculations since the *Preliminary Determination*. These changes are discussed in the "Analysis of Programs" section of the Issues and Decision Memorandum.<sup>8</sup>

## All-Others Rate

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<sup>6</sup> See Issues and Decision Memorandum at 5-8.

<sup>7</sup> See Sections 776(a) and (b) of the Act.

<sup>8</sup> See Issues and Decision Memorandum at 8; see also Department Memorandum, "Steel Concrete Reinforcing Bar from the Republic of Turkey: Calculations for the Final Countervailing Duty Determination," May 15, 2017.

In accordance with section 705(c)(1)(B)(i)(I) of the Act, the Department calculated a countervailable subsidy rate for the individually investigated exporter/producer of the subject merchandise. Consistent with sections 705(c)(1)(B)(i)(I) and 705(c)(5)(A) of the Act, the Department also calculated an estimated “all-others” rate for exporters and producers not individually investigated.<sup>9</sup> Section 705(c)(5)(A)(i) of the Act provides that the “all-others” rate shall be an amount equal to the weighted-average of the countervailable subsidy rates established for individually investigated exporters and producers, excluding any rates that are zero or *de minimis* or any rates determined entirely under section 776 of the Act. Because the weighted-average countervailable subsidy rate calculated for Habas is not zero or *de minimis* or based entirely on facts available under section 776 of the Act, the rate calculated for Habas is the rate assigned to all other producers and exporters, pursuant to section 705(c)(5)(A)(i) of the Act.

#### Final Determination

The Department determines the total estimated countervailable subsidy rates to be:

<b>Company</b>	<b>Subsidy Rate</b>
Habaş Sinai ve Tibbi Gazlar İstihsal Endüstrisi A.Ş. <sup>10</sup>	16.21 percent
All-Others	16.21 percent

#### Disclosure

In accordance with 19 CFR 351.224(b), we will disclose the calculations performed within five days of any public announcement of this notice.

<sup>9</sup> The scope of this countervailing duty investigation only covers rebar produced and/or exported by companies excluded from the existing *2014 Turkey CVD Order*. Currently, only merchandise produced and exported by Habas is excluded from the existing order. Therefore, at this time, no companies will be subject to the all-others rate indicated above, and cash deposits discussed below will apply solely to rebar produced and/or exported by Habas.

<sup>10</sup> This rate applies only to merchandise both produced and exported by Habaş Sinai ve Tibbi Gazlar İstihsal Endüstrisi A.Ş. Merchandise produced by Habas, but exported by another company, or produced by another company and exported by Habas continues to be covered by the *2014 Turkey CVD Order*.

### Continuation of Suspension of Liquidation

In accordance with section 703(d) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of rebar from Turkey, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after March 1, 2017, the date of publication of the *Preliminary Determination*. Furthermore, the Department will instruct CBP to require a cash deposit for such entries of merchandise.

### International Trade Commission Notification

In accordance with section 705(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of countervailable subsidies. Because the final determination in this proceeding is affirmative, in accordance with section 705(b) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of rebar from Turkey no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue a CVD order directing CBP to assess, upon further instruction by the Department, countervailing duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

### Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information

disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

This determination is issued and published in accordance with sections 705(d) and 777(i) of the Act.

Ronald K. Lorentzen  
Acting Assistant Secretary  
for Enforcement and Compliance

Dated: May 15, 2017

## **Appendix I**

### **Scope of the Investigation**

The merchandise subject to this investigation is steel concrete reinforcing bar imported in either straight length or coil form (rebar) regardless of metallurgy, length, diameter, or grade or lack thereof. Subject merchandise includes deformed steel wire with bar markings (*e.g.*, mill mark, size, or grade) and which has been subjected to an elongation test.

The subject merchandise includes rebar that has been further processed in the subject country or a third country, including but not limited to cutting, grinding, galvanizing, painting, coating, or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the rebar.

Specifically excluded are plain rounds (*i.e.*, nondeformed or smooth rebar). Also excluded from the scope is deformed steel wire meeting ASTM A1064/A1064M with no bar markings (*e.g.*, mill mark, size, or grade) and without being subject to an elongation test.

At the time of the filing of the petition, there was an existing countervailing duty order on steel reinforcing bar from the Republic of Turkey. *Steel Concrete Reinforcing Bar From the Republic of Turkey*, 79 Fed. Reg. 65,926 (Dep't Commerce Nov. 6, 2014) (2014 Turkey CVD Order). The scope of this countervailing duty investigation with regard to rebar from Turkey covers only rebar produced and/or exported by those companies that are excluded from the 2014 Turkey CVD Order. At the time of the issuance of the 2014 Turkey CVD Order, Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. was the only excluded Turkish rebar producer or exporter.

The subject merchandise is classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) primarily under item numbers 7213.10.0000, 7214.20.0000, and 7228.30.8010. The subject merchandise may also enter under other HTSUS numbers including 7215.90.1000, 7215.90.5000, 7221.00.0017, 7221.00.0018, 7221.00.0030, 7221.00.0045, 7222.11.0001, 7222.11.0057, 7222.11.0059, 7222.30.0001, 7227.20.0080, 7227.90.6030, 7227.90.6035, 7227.90.6040, 7228.20.1000, and 7228.60.6000.

HTSUS numbers are provided for convenience and customs purposes; however, the written description of the scope remains dispositive.



**Appendix II**  
**List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Investigation
- IV. Scope Comments
- V. Subsidies Valuation
- VI. Use of Facts Otherwise Available and Adverse Inferences
- VII. Analysis of Programs
- VIII. Discussion of the Issues

Comment 1: Financial Contribution in AD/CVD Investigation Assistance Program

Comment 2: Sales Denominator for Habas

Comment 3: Rejection of Habas's February 2, 2017 Rebuttal Benchmark Submission

Comment 4: Natural Gas Benchmark

Comment 5: Application of Adverse Facts Available for Discovered Program

Comment 6: Countervailability of Electricity for More Than Adequate Remuneration

- IX. Conclusion

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